



Dissertation – Proposal

LCBB6000

BA (Hons) Business Management

University of Wales Trinity Saint David (London Campus)

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Proposed research title: *How did Covid 19 lockdown measures impact SMEs in the UK?*

Name of the university: University of Wales, Trinity Saint David

Submission date: 02-September-2022

Abbreviations List

SME – Small and Medium sized Enterprises

UK – United Kingdom

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Chapter one: Introduction

1.1 Talk about the topic

The topic of the research is all about analysing the impacts of the lockdown measures on the SMEs of the UK. SMEs play a very important role in the economic growth of the UK as they provide huge employment opportunity to the youths and increase the opportunity to enhance innovation. The loss that the economy of UK has experienced during the pandemic about 2.8% of that was recovered by the SMEs (OCED, 2020). Currently the SMEs of UK have the coverage of almost 2 million annually (Bank of England, 2021). Beauty Pie is a beauty brand based in the UK founded in the year 2016 (Beauty Pie, 2022). Currently, headquarter of Beauty Pie is located in Hammersmith, London. They have a wide variety of products that are highly affordable for the consumers and the main mission of Beauty Pie is to set new rules and change the traditional concept of cosmetic products. During the time of the pandemic, the valuation of the cosmetic brands increased and Beauty Pie raised the fund of \$170 million (Lunden, 2021). Other than this the annual worth of the beauty industry is amounted to \$500 billion during the time of pandemic (Lunden, 2021).

1.2 Significance of the topic

SMEs play a very important role in the economic development of the UK and the government policies and trade legislations are necessary to make the smooth flow of operations. However, due to the global pandemic outbreak, the government of the UK have imposed certain restrictions on businesses as well as on the common audience. After the implication of the lockdown rules the business particularly the SMEs were impacted in both positive as well as negative ways. It was a huge opportunity for the businesses to explore the different types of niches and diversify the customer base. On the other hand, dealing with the high-demanding technological innovation was the main challenge (Gabelaia and Tchelidze, 2022).

1.3 Purpose of the research

The main issue of the topic is the impacts of the lockdown rules on the operations of the SMEs as it affects the efficiency as well as the overall effectiveness of the process. It is considered an issue because the lockdown rules are necessary to maintain the health measures of the citizens of the UK. However, it has a vast effect on the business operations and the professional aspects of the people. Currently, it is an issue because about 1.30 million people were unemployed during the pandemic and SMEs are responsible to provide jobs to 60%

workforce of the UK (OCED, 2020). This research report highlights both positive as well as negative impacts of the lockdown rules.

1.4 Proposed aim, objectives and research questions

Aim

The aim of the study is to measure the positive as well as the negative impacts of the lockdown policies of Beauty Pie in the UK.

Research Objectives

- To identify the changes during Covid-19 in SMEs
- To critically analyse the impact of Covid-19 lockdown measures on Beauty Pie
- To recommend Beauty Pie to overcome the situation due to lockdown measures in the UK

Research Questions

- What changes did the SMEs experience during the Covid-19?
- What are the challenges that Beauty Pie faced during the Covid-19 with the lockdown policies?
- What are the measures that the management of Beauty Pie must take to overcome the challenges?

Chapter two: Literature Review

2.1 Definition of SMEs

In the aspect of business, the size of an organisation is determined by the number of employees associated with the organisation. According to a research report by Prasanna *et al.* (2019), if there are more than 1000 employees in an organisation then it is considered a large company, whereas the brands operating with a staff of less than 1000 fall under SEMs (small and medium size organisation). According to a research report by Prasanna *et al.* (2019), it is considered that SMEs have way more huge potential than any other big organisation as there is a huge level of creativity and efficiency with the help of huge capital and passionate employees. In an economy, SMEs play a very important part because they focus on the common problems of the individuals and propose solutions with the help of innovation.

2.2 Characteristics of SMEs

There are some important characteristics of SMEs that ultimately increases the overall value of the business. In most cases, the concept of the business is born from an individual or a small group of skilled people. The SMEs have great operational flexibility because at the initial stage of the business the owners do not have enough working capital; therefore the processes are executed in every possible way. According to a research report by Yoo *et al.* (2018), the cost of production in SMEs is lower than in any other business as innovation and creativity are actively used in the process. At the initial stage of the business, most SMEs do not have enough time and money to recruit high-skilled employees; therefore they can effectively use the available local talents.

2.3 Importance of SMEs in the economy of the UK

Particularly in the economy of the UK, SMEs play a very important role as they help in the acceleration of growth. According to a research report by Oluwafemi *et al.* (2020), SMEs provide a huge employment opportunity to the youths of the UK. In the UK, SMEs provides employment opportunity to about 16 million people which are reflecting almost 60% of the workforce. The most highlighted importance of SMEs is the rise of competition in the business ecosystem. Increasing competition will result in innovation and the consumers will be access to a variety of choices. The pandemic and the lockdown measure the operation process was totally disrupted. However, SMEs have the nature to adapt to the changes in the environment.

2.5 Theories and models

According to the hierarchy of needs theory, there are five basic needs of the employees that gradually motivate the workers and boost their level of engagement. At the bottom stage, there are physiological needs than safety, belongings, esteem and self-actualisation. It is the responsibility of the organisation to meet such needs of the employees to motivate them. According to a research report by Ghatak and Singh (2019), the two-factor theory also plays a very important role in accelerating the motivation of employees. There are two factors as motivators as well as hygiene. The motivators are the positive points that increase the efficiency of the employees whereas the hygiene factors resist the effectiveness of the employees.

In the aspect of motivation, the motivation model of theories X and Y is one of the important roles in the determination of the different types of employees in an organisation. The management of a growing SME must determine the nature of the employees and control them in an efficient manner. According to a research report by Kang (2020), the employees who have less engagement, avoid responsibility and need to be controlled at every step falls under category X. Whereas the employees who want to be responsible, highly motivated and work independently fall under the category of Y.

2.6 Advantages of lockdown measures in the operations of SMEs

There are several advantages that the SMEs have gained from the lockdown measures during the time of the Covid-19 outbreak. The biggest opportunity for SMEs was to shift their operation to online platforms. By shifting their business operation online, the management of SMEs is able to save a huge amount of cost. According to a research report by Strakšienė *et al.* (2021), there are SMEs in every industry in the UK and they have a huge opportunity to explore some new niches as consumer behaviour has reported some important changes. This is very necessary for the business to diversify its customer base and increase its profitability.

2.7 Disadvantages and challenges of lockdown measures in the operations of SMEs

The most important disadvantage that was observed among the SMEs was the threat of new entrants in the market. In a perfectly competitive market, the business has the privilege of free entry as well as exit and with some new establishments; the level of competition has increased. According to a research report by Rodrigues *et al.* (2021), the gap in technological knowledge was a vital challenge for SMEs. The government of the UK have imposed some serious measures on the free movement of the people and business was bound to shift their business online. Therefore, due to a lack of skilled employees in the aspect of technology the operations have faced some ineffectiveness.

2.8 Literature gap

There are many types of research reports available over the internet related to similar topics. However, some of the research reports were published over the internet without conducting any integrated study. This has created a literature gap between academic researchers and readers. In order to mitigate the gap, this research report has made a conclusion after conducting a detailed study and conducted primary as well as secondary research. The main benefit is the detailed amount of knowledge that the researchers and the readers will get from this report.

Chapter three: Research Methods and Methodology

3.1 What research philosophy and why?

There are mainly three types of research philosophy positivism, realism and interpretivism. In this research report, the philosophy of **positivism** will be used because all the data and the information will be considered on the base of observations (Alharahsheh and Pius, 2020). The authentic information is required to draw a conclusion on the impacts of lockdown policies on the operations of Beauty Pie.

3.2 What research paradigm and why?

To accomplish this research, report **positivism** paradigm will be used because it is highly necessary to collect data and information from credible sources. It is very important to consider the experience and the knowledge of some selected people because they are much authentic (Alharahsheh and Pius, 2020). Similarly, after interviewing some selected experienced people a conclusion can be drawn about several impacts of lockdown policies on Beauty Pie.

3.3 What research approach and why?

In this research report, the **deductive** approach will be used to analyse the data and information available over the internet. The main advantage of this approach is that a general relationship can be drawn between the variable and the concept of the topic (Machila *et al.*, 2018). It is necessary to connect the relationship between the variable to make a clear concept about the impacts on Beauty Pie by the lockdown policies.

3.4 What research methodology and why?

In this research report, both **primary**, as well as **secondary** methods of data collection will be used to input valuable information. The main advantage of using the mixed method is, that the researchers will be access to both opinion-based information and pre-researched report to draw conclusions (Pandey and Pandey, 2021). It is highly necessary to collect important data because it will clearly reflect the impacts of lockdown policies on the operations of Beauty Pie.

3.5 What research strategy and why?

The research strategy behind this report is both qualitative and quantitative as individual interviews and mass surveys will be conducted. The main benefit of using the qualitative approach is that experience-based information can be gathered. Similarly, with the help of a mass survey, the thinking process can be analysed. In order to critically analyse the impacts

of lockdown policies on the operations of Beauty Pie both qualitative and quantitative data are necessary.

3.6 Sampling methods and why

During the process of data collection, the random sampling method will be used. This is necessary to formulate an unbiased research report as random people will be picked for the collection of data. By collecting data from random consumers, the individual perspective of the lockdown impacts can be analysed. The **survey** will be conducted among **ten employees of Beauty Pie** and the **interview** arranged for **two managers** of the same organisation. **Survey Monkey** will be used for the conduction of survey.

3.7 Data collection methods/tools

Both primary and secondary methods of data collection will be used while making the research report. Mass **surveys** and individual **interviews** will be considered the primary data collection methods and these will be analysed through **quantitative** and **qualitative** technique. Several articles, as well as journals, will be used as the **secondary method** and **two themes** will be prepared for the evaluation of **thematic technique**. (Pandey and Pandey, 2021). Formulation of an unbiased report with the help of valuable data is the main benefit of this method.

3.8 Ways of interpreting data/How are you going to interpret data?

The data which is going to be used in this research report will be interpreted and analysed on a thematic basis further to draw a conclusion. From the section on qualitative data, the information from the managers of Beauty Pie will be collected and similarly, unbiased information from the employees is also essential.

3.9 Time prospects of the research (Gantt chart)

Activity	Start Date	Duration	End Date
Identification of the aim and objectives	03-06-2022	4	07-06-2022
Introduction of research	07-06-2022	9	16-06-2022
Literature Review	16-06-2022	11	27-06-2022
Research Methodology	27-06-2022	16	13-07-2022
The primary method of collecting data	13-07-2022	15	28-07-2022
Analysis of data	28-07-2022	16	13-08-2022
Drawing conclusion	13-08-2022	9	22-08-2022
Recommendation and suggestion	22-08-2022	7	29-08-2022
Submission	29-08-2022	1	30-08-2022

Table 1: Work breakdown structure

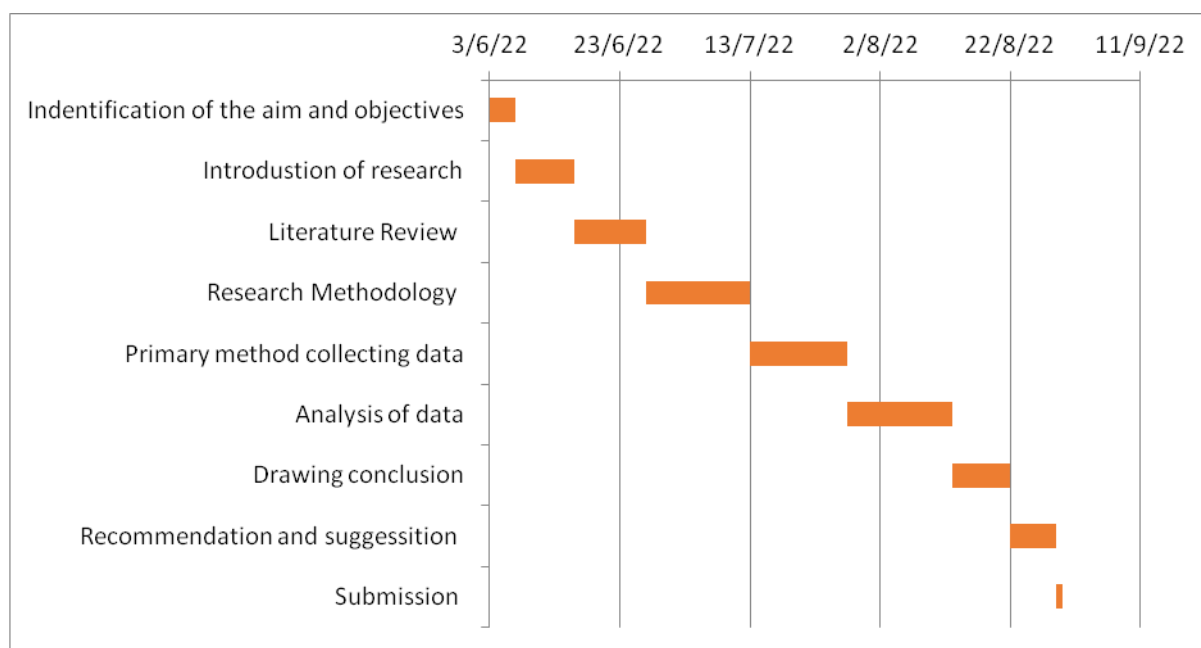


Figure 1: Gantt chart

(Source: Created by the learner)

3.10 Ethical consideration of the research

Some essential ethical issues may arise during the process of data collection. The main challenge will be maintaining the privacy of the employees in the data collection process. According to the Data Protection Act 2018, it is the responsibility of the researchers to maintain the confidentiality of the data used for reporting purpose. Gaining the trust and loyalty of the employees and managers who are going to participate in the process of the primary method will be highly challenging.

Chapter four: Conclusion

The lockdown policies of the UK have made positive as well as negative impacts on the operations of SMEs. The most challenging part was the lack of knowledge about the technology as there are a smaller number of skilled employees in the organisation. Other than this there is an increasing threat of new entrants in the market and it had become highly necessary to increase the amount of investment in innovation. On the other hand, most SMEs got the opportunity to shift their operation online and further digitalise the process. For making the research report both primary and secondary methods of data collection will be used.

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